

Minutes of Meeting
Health Services Council
Project Review Committee-II

DATE: 27 September 2007

TIME: 3:05 PM

LOCATION: Conference Room C
Department of Administration

ATTENDANCE:

Committee-II: Present: Victoria Almeida, Esq., (Vice Chair), Raymond C. Coia, Esq., Wallace Gernt, Sen. Catherine E. Graziano RN, Ph.D., Robert J. Quigley, DC, (Chair), Reverend David Shire (Secretary)

Not Present: Rosemary Booth Gallogly, Robert Hamel, Denise Panichas

Excused Absences: Gary J. Gaube

Committee-I: Present: Amy Lapierre

Staff: Valentina Adamova, Michael K. Dexter, Chrystele Lauture (Intern), Joseph G. Miller, Esq.

Public: (Attached)

1. Call to Order, Approval of Minutes, Conflict of Interest Forms and Time Extension for the Minutes Availability

The meeting was called to order at 3:05 PM. The Chairman noted that conflict of interest forms are available to any member who may have a conflict. The Chairman requested a motion for the extension of time for the availability of minutes pursuant to the Open Meetings Act. A motion was made, seconded and passed by a vote of six in favor and none opposed (6-0) that the availability of minutes for this meeting be extended beyond the time frame and provided for under the Open Meetings Act. Those members voting in favor were: Almeida, Coia, Gernt, Graziano, Quigley, Shire.

2. General Order of Business

The first item on the agenda was the application of ASC Acquisition, LLC for change in effective control of Wayland Square Surgicare a freestanding ambulatory surgery center at 17 Seekonk Street in Providence and Blackstone Valley Surgicare, a freestanding ambulatory surgery center at 1526 Atwood Avenue in Johnston.

The applicant reviewed the letter of commitment to the local management teams. The applicant noted that there is no intent to

make a change to the staff at Blackstone or Wayland facilities. The staff at both facilities are committed to providing quality cost effective services. The applicant stated that it is not the practice of SCA to enter into written contracts with the local facilities. If the change in effective control applications were denied the facilities would revert back to HealthSouth.

Mr. Gernt noted that private equity is the wrong way to go in healthcare. He noted the lack of local control over these facilities. The applicant responded that at all centers have a medical advisory group made up of physicians who do the work at the center. These physicians have every incentive and responsibility to keep up patient care.

Staff asked how profits of Wayland and Blackstone facilities are distributed. The applicant stated that every dollar that is made goes back to the holding company. The applicant stated that the final decision regarding distributions were made by ASC, LLC.

Ms. Lapierre asked how the applicant would handle uninsured patients. The applicant responded stated that free care is done at Wayland. Patients are not turned away due to inability to pay. Both facilities have entered into contracts with the Rhode Island Free Clinic to provide up to five free cases per month.

To the Chairman's question regarding liability, the applicant stated

that the facilities have insurance.

Mr. Gernt asked about the authority of the Committee to impose conditions of approval and to require reporting from the applicant.

Mr. Miller, legal counsel to the Department, stated that pursuant to § 23-17-6 any change in effective control shall require prior review by the Health Services Council and that the Committee can attach conditions of approval that relate to the review criteria.

Staff asked if the applicant would accept as a condition of approval that they maintain accreditation by an appropriate accrediting agency. The applicant agreed and noted that the facilities are currently JCAHO accredited and would eventually switch accreditation to AAAHC which accredits ambulatory healthcare organization.

Staff noted all of the condition of approval that would be applicable to these facilities including the proposed condition regarding accreditation. Staff further noted an amendment to the condition with regard to quarterly reporting of charity care, that would include the language that reporting occur within 30 days of a quarter ending. The applicant agreed to all of the conditions of approval.

A motion was made, seconded and passed by a vote of five in favor, none opposed, and one recusal (5-0-1) to recommend that the application be approved with the conditions of approval. Those

members voting in favor of the motion were: Coia, Gernt, Graziano, Quigley, Shire. Almeida recused.

There being no further business the meeting was adjourned at 4:07 PM.

Respectfully submitted,

Valentina D. Adamova, MBA